



UNDER SEAL IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	CRIMINAL NO. 1:14CR323
)	
)	<u>Count 1</u> : 18 U.S.C. § 371
v.)	(Conspiracy to Solicit Bribes by a Public
)	Official and to Defraud the United States)
)	
JASON AUSTIN RAPPOCCIO,)	<u>Count 2</u> : 18 U.S.C. § 201(b)(2)(A) and (C),
)	and 18 U.S.C. § 2
)	(Bribery of a Public Official)

INDICTMENT

September 2014 Term – At Alexandria

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The National Guard Bureau

1. The Army National Guard (“ARNG”) was part of the National Guard of the United States and was divided into 54 units stationed across each of the 50 states and the U.S. territories. The National Guard Bureau (“NGB”) was a joint activity of the U.S. Department of Defense (“DOD”), the state ARNGs, and the Departments of the Army and Air Force. The NGB administered policies and oversaw federal funding for state ARNGs that affected the federal mission of National Guard, and acted as the official conduit between the states and the Departments of the Army and Air Force. The NGB offices were located in Arlington, Virginia, within the Eastern District of Virginia.

2. The DOD provided federal funds to the ARNG for, among other things, advertising, marketing, and sponsorships in order to recruit new members. In turn, the ARNG, acting through the NGB, provided a portion of these monies to private businesses to promote the ARNG through marketing programs. NGB could award these contracts directly, avoiding a competitive bid process, by awarding these contracts to Small Business Administration (“SBA”) 8(a) businesses (“8(a) companies”), which are businesses that qualify as a minority owned business by the SBA.

Relevant Individuals

3. The defendant, JASON AUSTIN RAPPOCCIO (“RAPPOCCIO”), was a Sergeant First Class in the ARNG. RAPPOCCIO joined the Minnesota Army National Guard in or about 1995 and served there for several years. In October 2011, RAPPOCCIO was transferred from the Minnesota Army National Guard to the NGB, where he was under “Title 10 orders,” which meant that he was on full-time duty in the active service of the United States, and a public official as defined in Title 18, United States Code, Section 201(a)(1). In particular, RAPPOCCIO was transferred to the Advertising Branch of NGB, which was responsible for recruiting and retaining ARNG members. At the NGB, RAPPOCCIO held the position of Contracting Officer Representative and in his official capacity at the NGB had the ability to select and recommend 8(a) companies for direct award contracts. In approximately January 2014, RAPPOCCIO was transferred from the NGB to Fort Jackson, South Carolina.

4. Coconspirator A was the President and Chief Executive Officer of Company A, a program management and consulting firm for private businesses that work with the federal government. Coconspirator A formed Company A after Coconspirator A retired from the Minnesota ARNG in 2011 with the rank of Command Sergeant Major.

5. Coconspirator B was Coconspirator A's sibling and provided administrative services to Company A.

6. Coconspirator C was the owner of Company C, an 8(a) company. Company C subcontracted its work on ARNG contracts to Company A.

7. Coconspirator D retired from the ARNG as Colonel. At the ARNG, Coconspirator D worked as the head of the Marketing and Advertising Division of the NGB, which administers ARNG marketing and recruitment contracts.

COUNT 1

(Conspiracy to Solicit Bribes by a Public Official and to Defraud the United States)

THE GRAND JURY FURTHER CHARGES THAT:

8. Paragraphs 1 through 7 of this Indictment are re-alleged as if fully set forth herein.

THE CONSPIRACY AND ITS OBJECTS

9. From in or about March 2013, and continuing until in or about August 2013, in the Eastern District of Virginia and elsewhere, RAPPOCCIO, Coconspirator A, and Coconspirator B, and others known and unknown to the grand jury, knowingly and intentionally combined, conspired, and agreed, with each other and others, known and unknown to the grand jury, to:

(a) commit an offense against the United States, that is, for RAPPOCCIO, being a public official, to directly and indirectly, corruptly demand, seek, receive, accept, and agree to receive and accept things of value personally, and for others, in return for being influenced in the performance of RAPPOCCIO's official acts and for being induced to do or omit to do acts in violation of RAPPOCCIO's official duties, contrary to Title 18, United States Code, Sections 201(b)(2)(A) & (C); and

(b) defraud the United States by impairing, impeding, and defeating the lawful functions of the NGB.

NATURE AND PURPOSE OF THE CONSPIRACY

10. It was the nature and purpose of the conspiracy for RAPPOCCIO to profit personally by corruptly seeking, soliciting, accepting, and directing that things of value be paid to RAPPOCCIO in return for RAPPOCCIO's use and misuse of his official position to influence

and steer the award of contracts to Coconspirator A and Company A, through Company C; and to corrupt the ARNG's contracting process with respect to reviewing and awarding NGB marketing contracts to private businesses.

MANNER AND MEANS OF THE CONSPIRACY

11. In furtherance of the conspiracy, and to accomplish its objects, the following methods and means were used, among others:

a. RAPPOCCIO would demand, seek, receive, accept, and agree to receive and accept things of value from Coconspirator A, including \$30,000 in cash, expensive football tickets, and other items of value that Coconspirator A would give, offer, and promise to RAPPOCCIO.

b. In order for RAPPOCCIO to receive these things of value, RAPPOCCIO and his coconspirators would take steps to hide these payments. For example, the \$30,000 payment was broken up into separate payments. First, RAPPOCCIO received \$6,000 in cash directly from Coconspirator A. Then, Coconspirator B had the remaining \$24,000 withdrawn from Company A's account as a cashier's check in the name of her brother-in-law. The check was then deposited in Coconspirator A and Coconspirator B's brother-in-law's account. Then, Coconspirator A's and Coconspirator B's sister withdrew the \$24,000 from the same account via a cashier's check written out to RAPPOCCIO's wife.

c. RAPPOCCIO used his influence, in his official capacity as a Contracting Officer Representative within the NGB, to benefit Coconspirator A, Coconspirator B, and Coconspirator C by causing the award of NGB marketing contracts to Company A, using Company C as a conduit, in return for things of value that Coconspirator A provided to RAPPOCCIO.

OVERT ACTS

In furtherance of the conspiracy, and to affect the objects thereof, the following overt acts were committed within the Eastern District of Virginia and elsewhere:

12. On or about August 12, 2013, RAPPOCCIO accepted \$6,000 in cash from Coconspirator A at a restaurant in Arlington, Virginia.

13. On or about September 5, 2013, RAPPOCCIO deposited \$6,000 cash into his bank account.

(All in violation of Title 18, United States Code, Section 371.)

COUNT 2
(Solicitation of Bribes by a Public Official)

THE GRAND JURY FURTHER CHARGES THAT:

14. Paragraphs 1 through 7 and paragraphs 10 through 13 of this Indictment are re-alleged as if fully set forth herein.

15. From in or about March 2013, and continuing until in or about November 2013, within the Eastern District of Virginia and elsewhere, RAPPOCCIO, being a public official, engaged in a course of conduct whereby he directly and indirectly, corruptly demanded, sought, received and accepted, and agreed to receive and accept, things of value personally, including \$30,000 in cash and other items of value from Coconspirator A, with the intent to be and in return for being influenced in the performance of RAPPOCCIO's official acts, and for being induced to do or omit to do acts in violation of his official duties, by influencing the awarding of NGB marketing contracts to Company A, using Company C, an 8(a) company, as a conduit.

(All in violation of Title 18, United States Code, Sections 201(b)(2)(A) & (C), and Title 18, United States Code, Section 2.)

FORFEITURE NOTICE

Pursuant to Federal Rule of Criminal Procedure 32.2(a), defendant is notified that upon conviction of the offenses alleged in Counts 1-2 of this Indictment, he shall forfeit any property, real or personal, which he obtained directly or indirectly and which constitutes or is derived from proceeds traceable to the offenses of conviction. If property subject to forfeiture is not available, the United States will seek an order forfeiting substitute assets in accordance with Title 21, United States Code, Section 853(p).

(In accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).)

DATED this ____ day of September 2014
A TRUE BILL

Pursuant to the E-Government Act,
the original of this page has been filed
under seal in the Clerk's Office.

Foreperson of the Grand Jury

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